

Claims 1 - 19 stand rejected under 35 USC 103(a) as allegedly being obvious in view of Urquhart (US patent no. 6,167,385). Applicant respectfully traverses this rejection for the reasons set out below, and respectfully request reconsideration in view of these reasons.

To establish a **prima facie** case of **obviousness**, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

Claim 1. Urquhart discloses a supply chain financing system, where the financing is mandated by and arranged in conjunction with buyer (e.g., payer) – *not the seller* (e.g., biller). (Col. 2, ll. 27 – 30.) Furthermore, Urquhart discloses the financing arranged “without recourse to the seller (e.g., biller)”. (Col. 2, ll. 31 - 33.) Urquhart effectively teaches away from the dual recourse arrangement required by claim 1. In contrast to Urquhart, claim 1 requires “receiving from the biller a legally binding commitment to pay if the payer does not pay to the intermediary.” This limitation is simply not taught or suggested by Urquhart. The Office Action states that while Urquhart fails to teach the formal legal relationships amongst buyer/seller/intermediary, these legal relationships are either inherent in the described process or would have been obvious as motivated by the need to eliminate financial risk of nonpayment. However, Urquhart is clearly directed to a system where financing is arranged in conjunction with a buyer (e.g., payer) to the exclusion of the seller (e.g., biller). Thus, claim 1 and its dependent claims 2 - 11 are allowable in view of Urquhart.

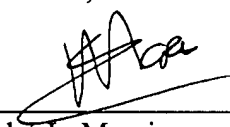
Claim 12. Urquhart does not disclose receiving from the biller a legally binding commitment to pay if the payer does not pay to the intermediary. Additionally, the well-established true intermediary financing solutions (e.g., American Express) do not utilize recourse to the seller. Therefore, claim 12 and its dependent claims 13 - 19 are allowable in view of Urquhart and the third party intermediary banking methods known in the art whether considered together or separately.

If there are any additional charges, please charge Deposit Account No. 02-2666. If a telephone interview would in any way expedite the prosecution of the present application, the Examiner is invited to contact André Marais at (408) 947-8200.

Respectfully submitted,

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